

**Executive Summary – Enforcement Matter – Case No. 48850**  
**OCI Beaumont LLC**  
**RN102559291**  
**Docket No. 2014-0867-AIR-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Beaumont Plant, 5470 North Twin City Highway, Nederland, Jefferson County

**Type of Operation:**

Methanol and ammonia manufacturing plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** October 10, 2014

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$37,500

**Amount Deferred for Expedited Settlement:** \$7,500

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$15,000

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**SEP Conditional Offset:** \$15,000

Name of SEP: Southeast Texas Regional Planning Commission (Third-Party Pre-Approved)

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** April 2014

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** March 12, 2014

**Date(s) of NOE(s):** May 30, 2014

**Executive Summary – Enforcement Matter – Case No. 48850**  
**OCI Beaumont LLC**  
**RN102559291**  
**Docket No. 2014-0867-AIR-E**

***Violation Information***

1. Failed to comply with the allowable volatile organic compounds ("VOC") emissions rate for the Methanol Receiver Tank, Emission Point Number ("EPN") MET-TFL50. Specifically, the Respondent exceeded the annual allowable VOC emissions rate of 0.30 ton per year ("tpy"), based on a 12-month rolling period, for the 12-month periods ending on November 2012 through February 2014, resulting in the unauthorized release of approximately 506.84 pounds ("lbs") of VOC [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Federal Operating Permit ("FOP") No. 01645, Special Terms and Conditions ("STC") No. 16, and New Source Review ("NSR") Permit No. 901, Special Conditions ("SC") No. 1].
2. Failed to comply with the allowable VOC, nitrogen oxides ("NOx"), and carbon monoxide ("CO") emissions rates for the Methanol Plant Flare (Maintenance), EPN 45. Specifically, the Respondent exceeded the annual allowable emissions rate of 0.3 tpy of VOC and 2.5 tpy of CO, based on a 12-month rolling period, for the 12-month periods ending on December 2012 through September 2013, and exceeded the annual allowable emissions rate of 2.83 tpy of NOx, based on a 12-month rolling period, for the 12-month periods ending on April 2013 through June 2013, and August 2013, resulting in the unauthorized release of approximately 234.82 lbs of VOC, 40.66 lbs of NOx, and 5,020.31 lbs of CO [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. 01645, STC No. 16, and NSR Permit No. 901, SC No. 1].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent has implemented the following corrective measures:

- a. On August 1, 2013, modified the inspection and repair program to ensure final checks and sign-offs are conducted for all repairs needed;
- b. By October 24, 2013, modified the Preventative Maintenance Program to include inspection and replacement or repair of the pressure swing adsorption valves on a nine-month interval and returned to compliance with permitted emissions rates for the Methanol Plant Flare, EPN 45; and
- c. By March 31, 2014, returned to compliance with permitted emissions rates for the Methanol Receiver Tank, EPN MET-TFL50.

**Technical Requirements:**

The Order will require the Respondent to implement and complete a Supplemental Environmental Project ("SEP"). (See SEP Attachment A)

**Executive Summary – Enforcement Matter – Case No. 48850**  
**OCI Beaumont LLC**  
**RN102559291**  
**Docket No. 2014-0867-AIR-E**

***Litigation Information***

**Date Petition(s) Filed:** N/A  
**Date Answer(s) Filed:** N/A  
**SOAH Referral Date:** N/A  
**Hearing Date(s):** N/A  
**Settlement Date:** N/A

***Contact Information***

**TCEQ Attorney:** N/A  
**TCEQ Enforcement Coordinator:** Jessica Schildwachter, Enforcement Division, Enforcement Team 5, MC 149, (512) 239-2617; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456  
**TCEQ SEP Coordinator:** Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565  
**Respondent:** Frank Bakker, President, OCI Beaumont LLC, P.O. Box 1647, Nederland, Texas 77627  
**Respondent's Attorney:** N/A



**Attachment A**  
**Docket Number: 2014-0867-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>OCI Beaumont LLC</b>
<b>Penalty Amount:</b>	<b>Thirty Thousand Dollars (\$30,000)</b>
<b>SEP Offset Amount:</b>	<b>Fifteen Thousand Dollars (\$15,000)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Southeast Texas Regional Planning Commission</b>
<b>Project Name:</b>	<b><i>West Port Arthur Home Energy Efficiency Program - Lighthouse Program</i></b>
<b>Location of SEP:</b>	<b>Jefferson County</b>

The Texas Commission on Environmental Quality (“TCEQ”) agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project (“SEP”). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Southeast Texas Regional Planning Commission** for the *West Port Arthur Home Energy Efficiency Program - Lighthouse Program* Project. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the “Project”). Specifically, the SEP Offset Amount will be used to hire a contractor to conduct initial inspections of eligible applicants' homes. The inspections will determine whether the home is in a condition suitable for weatherization and energy efficiency upgrades. Upgrades will not be completed at homes that need new roofs or significant foundation work. The contractor shall also determine what weatherization and energy efficiency upgrades are necessary and appropriate for the home and write a work plan. This contractor shall also conduct the final inspection of the home after the work is completed.

The Third-Party Administrator will conduct eligibility determinations to verify that participants own their homes and qualify as low-income. The Third-Party Administrator will also prepare all contracts with contractors and homeowners; coordinate between the contractors and the homeowners to answer questions; ensure that work is done timely and properly; and arrange for any necessary repairs to new equipment under the 12-

month warranty period after work is completed. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

Implementation of this Project will benefit air by reducing residential fuel and electricity usage for heating and cooling. These reductions, in turn, will reduce emissions of particulate matter, volatile organic compounds, and the nitrogen oxides associated with the combustion of fuel and the generation of electricity. Past energy audits have shown a 12-30% reduction in energy usages after completion of the weatherization and energy upgrades.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

## 2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Southeast Texas Regional Planning Commission SEP** and shall mail the contribution with a copy of the Agreed Order to:

Southeast Texas Regional Planning Commission  
Attention: Pamela Lewis, Program Manager  
2210 Eastex Freeway  
Beaumont, Texas 77703

### **3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality  
Enforcement Division  
Attention: SEP Coordinator, MC 219  
P.O. Box 13087  
Austin, Texas 78711-3087

### **4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

### **5. Publicity**

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

## **6. Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

## **7. Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.





## Penalty Calculation Worksheet (PCW)

TCEQ

<b>DATES</b>	<b>Assigned</b>	2-Jun-2014	<b>Screening</b>	17-Jun-2014	<b>EPA Due</b>	24-Feb-2015
	<b>PCW</b>	25-Aug-2014				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	OCI Beaumont LLC		
<b>Reg. Ent. Ref. No.</b>	RN102559291		
<b>Facility/Site Region</b>	10-Beaumont	<b>Major/Minor Source</b>	Major

## CASE INFORMATION

<b>Enf./Case ID No.</b>	48850	<b>No. of Violations</b>	2
<b>Docket No.</b>	2014-0867-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Jessica Schildwachter
		<b>EC's Team</b>	Enforcement Team 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$37,500
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## ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

<b>Compliance History</b>	25.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$9,375
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<b>Notes</b>	Enhancement for one NOV with same or similar violations and one order with denial of liability.
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<b>Culpability</b>	No	0.0% Enhancement	<b>Subtotal 4</b>	\$0
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<b>Notes</b>	The Respondent does not meet the culpability criteria.
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<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	-\$9,375
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<b>Economic Benefit</b>	0.0% Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts	\$215
Estimated Cost of Compliance	\$4,000

\*Capped at the Total EB \$ Amount

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$37,500
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	<b>Adjustment</b>	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

<b>Notes</b>	
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<b>Final Penalty Amount</b>	\$37,500
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$37,500
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<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	-\$7,500
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

<b>Notes</b>	Deferral offered for expedited settlement.
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<b>PAYABLE PENALTY</b>	\$30,000
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Screening Date 17-Jun-2014

Docket No. 2014-0867-AIR-E

PCW

Respondent OCI Beaumont LLC

Policy Revision 4 (April 2014)

Case ID No. 48850

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102559291

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 25%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

Enhancement for one NOV with same or similar violations and one order with denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, &amp; 7) 25%

## &gt;&gt; Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 25%

Screening Date 17-Jun-2014

Docket No. 2014-0867-AIR-E

PCW

Respondent OCI Beaumont LLC

Policy Revision 4 (April 2014)

Case ID No. 48850

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102559291

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Federal Operating Permit ("FOP") No. 01645, Special Terms and Conditions ("STC") No. 16, and New Source Review ("NSR") Permit No. 901, Special Conditions ("SC") No. 1

Violation Description

Failed to comply with the allowable volatile organic compounds ("VOC") emissions rate for the Methanol Receiver Tank, Emission Point Number ("EPN") MET-TFL50. Specifically, the Respondent exceeded the annual allowable VOC emissions rate of 0.30 ton per year ("tpy"), based on a 12-month rolling period, for the 12-month periods ending on November 2012 through February 2014, resulting in the unauthorized release of approximately 506.84 pounds ("lbs") of VOC.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

## Violation Events

Number of Violation Events 6

486 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$22,500

Six quarterly events are recommended from the initial date of non-compliance (November 30, 2012) to the date of compliance (March 31, 2014).

## Good Faith Efforts to Comply

25.0%

Reduction \$5,625

Before NOE/NOV NOE/NOV to EDRP/Settlement Offer

Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective actions on March 31, 2014, before the May 30, 2014 NOE.

Violation Subtotal \$16,875

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$133

Violation Final Penalty Total \$22,500

This violation Final Assessed Penalty (adjusted for limits) \$22,500

# Economic Benefit Worksheet

**Respondent** OCI Beaumont LLC  
**Case ID No.** 48850  
**Reg. Ent. Reference No.** RN102559291  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$2,000	30-Nov-2012	31-Mar-2014	1.33	\$133	n/a	\$133

Notes for DELAYED costs

Estimated cost to modify the inspection and repair program to ensure final checks and sign-offs are conducted for all repairs needed in order to return to compliance with permitted emissions rates for the Methanol Receiver Tank. The Date Required is the initial date of non-compliance. The Final Date is the date of compliance.

## Avoided Costs

### ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$133

Screening Date 17-Jun-2014

Docket No. 2014-0867-AIR-E

PCW

Respondent OCI Beaumont LLC

Policy Revision 4 (April 2014)

Case ID No. 48850

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102559291

Media [Statute] Air

Enf. Coordinator Jessica Schildwachter

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), Tex. Health & Safety Code § 382.085(b), FOP No. 01645, STC No. 16, and NSR Permit No. 901, SC No. 1

## Violation Description

Failed to comply with the allowable VOC, nitrogen oxides ("NOx"), and carbon monoxide ("CO") emissions rates for the Methanol Plant Flare (Maintenance), EPN 45. Specifically, the Respondent exceeded the annual allowable emissions rate of 0.3 tpy of VOC and 2.5 tpy of CO, based on a 12-month rolling period, for the 12-month periods ending on December 2012 through September 2013, and exceeded the annual allowable emissions rate of 2.83 tpy of NOx, based on a 12-month rolling period, for the 12-month periods ending on April 2013 through June 2013, and August 2013, resulting in the unauthorized release of approximately 234.82 lbs of VOC, 40.66 lbs of NOx, and 5,020.31 lbs of CO.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

## &gt;&gt; Programmatic Matrix

Falsification			
	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

## Violation Events

Number of Violation Events 4

297 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$15,000

Four quarterly events are recommended from the initial date of non-compliance (December 31, 2012) to the date of compliance (October 24, 2013).

## Good Faith Efforts to Comply

25.0%

Reduction \$3,750

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent completed corrective actions on October 24, 2013, before the May 30, 2014 NOE.

Violation Subtotal \$11,250

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$81

Violation Final Penalty Total \$15,000

This violation Final Assessed Penalty (adjusted for limits) \$15,000

# Economic Benefit Worksheet

Respondent OCI Beaumont LLC  
 Case ID No. 48850  
 Reg. Ent. Reference No. RN102559291  
 Media Air  
 Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering /Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$2,000	31-Dec-2012	24-Oct-2013	0.81	\$81	n/a	\$81

Estimated cost to modify the Preventative Maintenance Program to include inspection and replacement or repair of the pressure swing adsorption valves on a nine-month interval and return to compliance with permitted emission rates. The Date Required is the initial date of non-compliance. The Final Date is the date of compliance.

Notes for DELAYED costs

## Avoided Costs

### ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$81

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



## TCEQ Compliance History Report

**PUBLISHED** Compliance History Report for CN604138933, RN102559291, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

**Customer, Respondent, or Owner/Operator:** CN604138933, OCI Beaumont LLC **Classification:** SATISFACTORY **Rating:** 0.50

**Regulated Entity:** RN102559291, BEAUMONT PLANT **Classification:** SATISFACTORY **Rating:** 0.50

**Complexity Points:** 16

**Repeat Violator:** NO

**CH Group:** 05 - Chemical Manufacturing

**Location:** 5470 N TWIN CITY HWY NEDERLAND, TX 77627-3168, JEFFERSON COUNTY

**TCEQ Region:** REGION 10 - BEAUMONT

### ID Number(s):

**AIR OPERATING PERMITS** ACCOUNT NUMBER JE0343H

**AIR NEW SOURCE PERMITS** PERMIT 901

**AIR NEW SOURCE PERMITS** ACCOUNT NUMBER JE0343H

**AIR NEW SOURCE PERMITS** REGISTRATION 71266

**AIR NEW SOURCE PERMITS** REGISTRATION 50797

**AIR NEW SOURCE PERMITS** EPA PERMIT PSDTX1334

**AIR NEW SOURCE PERMITS** REGISTRATION 110526

**INDUSTRIAL AND HAZARDOUS WASTE** EPA ID

TXP490350841

**INDUSTRIAL AND HAZARDOUS WASTE** OTS REQUEST

35977

**AIR EMISSIONS INVENTORY** ACCOUNT NUMBER JE0343H

**AIR OPERATING PERMITS** PERMIT 1645

**AIR NEW SOURCE PERMITS** REGISTRATION 48633

**AIR NEW SOURCE PERMITS** AFS NUM 4824500140

**AIR NEW SOURCE PERMITS** REGISTRATION 75325

**AIR NEW SOURCE PERMITS** REGISTRATION 101831

**AIR NEW SOURCE PERMITS** REGISTRATION 107868

**AIR NEW SOURCE PERMITS** REGISTRATION 115352

**INDUSTRIAL AND HAZARDOUS WASTE** OTS REQUEST  
35819

**INDUSTRIAL AND HAZARDOUS WASTE** EPA ID  
TXD988066650

**STORMWATER** PERMIT TXR05BY76

**Compliance History Period:** September 01, 2008 to August 31, 2013 **Rating Year:** 2013 **Rating Date:** 09/01/2013

**Date Compliance History Report Prepared:** June 16, 2014

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** June 16, 2009 to June 16, 2014

**TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.**

**Name:** Jessica Schildwachter

**Phone:** (512) 239-2617

### Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

### Components (Multimedia) for the Site Are Listed in Sections A - J

#### **A. Final Orders, court judgments, and consent decrees:**

- 1 Effective Date: 04/18/2014 ADMINORDER 2013-1427-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov:General Terms and Conditions OP

SC 13 OP  
SC 13 PERMIT

Description: Failure to maintain an emission rate below the allowable emission limit. A-3(c)(2)(A)

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)

5C THSC Chapter 382 382.085(b)

Description: Failure to properly notify the Beaumont Regional Office of a reportable emission event. C3

**B. Criminal convictions:**

N/A

**C. Chronic excessive emissions events:**

N/A

**D. The approval dates of investigations (CCEDS Inv. Track. No.):**

Item 1	November 22, 2009	(782119)
Item 2	October 28, 2010	(866517)
Item 3	October 24, 2011	(950853)
Item 4	February 29, 2012	(987377)
Item 5	March 16, 2012	(982007)
Item 6	August 09, 2012	(1019787)
Item 7	November 20, 2012	(1042190)
Item 8	December 27, 2012	(1050351)
Item 9	January 03, 2013	(1049762)
Item 10	March 20, 2013	(1073232)
Item 11	April 23, 2013	(1073250)
Item 12	May 02, 2013	(1077378)
Item 13	August 26, 2013	(1115220)
Item 14	September 16, 2013	(1115984)
Item 15	September 24, 2013	(1116445)
Item 16	October 31, 2013	(1128249)
Item 17	November 14, 2013	(1129215)
Item 18	December 02, 2013	(1133932)
Item 19	December 05, 2013	(1134536)
Item 20	December 16, 2013	(1134702)

**E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):**

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	05/30/2014	(1158110)	CN604138933
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 101, SubChapter A 101.20(3)		
		30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F)		
		30 TAC Chapter 116, SubChapter B 116.115(c)		
		30 TAC Chapter 122, SubChapter B 122.143(4)		
		5C THSC Chapter 382 382.085(b)		
		General Terms and Conditions OP		
		SC 1 PERMIT		
		SC 16 OP		
	Description:	Failure to comply with the emissions limits specified in SC1 of Permit 901.		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 101, SubChapter A 101.20(3)		
		30 TAC Chapter 116, SubChapter B 116.115(c)		
		30 TAC Chapter 122, SubChapter B 122.143(4)		
		5C THSC Chapter 382 382.085(b)		
		General Terms and Conditions OP		
		SC 16 OP		
		SC 18 PERMIT		
	Description:	Failure to comply with the emission concentration limits specified in SC 18 of Permit 901 for NOx and CO. B19g1		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 117, SubChapter B 117.110(a)(2)		
		30 TAC Chapter 117, SubChapter B 117.110(c)(1)		
		30 TAC Chapter 122, SubChapter B 122.143(4)		
		5C THSC Chapter 382 382.085(b)		



	General Terms and Conditions OP SC 1 A OP	
Description:	Failure to comply with the emission concentration limits specified in 30 TAC 117.110 for NOx and CO. B19g1	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.110(a) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP	
Description:	Failure to submit proper authorization for the construction of a compressor prior to construction. B9	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 101, SubChapter A 101.20(3) 30 TAC Chapter 113, SubChapter C 113.120 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.119(c) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP Special Condition 2 PERMIT Special Condition 7 PERMIT	
Description:	Failure to maintain Scrubber water flow of 9.8 gallons per minute as required by Special Condition 7 of NSR Permit 901. B19g1	
Self Report?	NO	Classification: Minor
Citation:	30 TAC Chapter 101, SubChapter A 101.20(3) 30 TAC Chapter 115, SubChapter B 115.115(a)(6) 30 TAC Chapter 115, SubChapter B 115.118(a)(3) 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.123(f)(1) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP Special Condition 16 OP Special Condition 1A OP Special Condition 2C PERMIT	
Description:	Failure to maintain Daily Shore Tank Scrubber Reports. C3	
Self Report?	YES	Classification: Minor
Citation:	30 TAC Chapter 101, SubChapter A 101.20(3) 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP SC 1A OP	
Description:	Failure to document daily flare opacity observations a minimum of 98 percent of the time. C3	
Self Report?	NO	Classification: Minor
Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT Y 63.564(d) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP SC 1 A OP	
Description:	Failure to maintain barge loading charts as required by 40 CFR 63 Subpart Y. C3	
Self Report?	NO	Classification: Minor
Citation:	30 TAC Chapter 101, SubChapter A 101.20(3) 30 TAC Chapter 113, SubChapter C 113.120 30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 40 CFR Chapter 63, SubChapter C, PT 63, SubPT G 63.119(e) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP SC 1 A OP SC 13 PERMIT	
Description:	Failure to maintain records of Fresh Water spray flow in the Data Historian. C3	
Self Report?	NO	Classification: Minor
Citation:	30 TAC Chapter 116, SubChapter B 116.115(b)(2) 30 TAC Chapter 122, SubChapter B 122.143(4) 30 TAC Chapter 122, SubChapter B 122.145(2)(A) 5C THSC Chapter 382 382.085(b) General Terms and Conditions OP	
Description:	Failure to report all instances of deviations. B3	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c)	

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Special Condition 10 PERMIT

Special Condition 16 OP

Description: Failure to maintain NH3 production below 900 tons per day

**F. Environmental audits:**

N/A

**G. Type of environmental management systems (EMSs):**

N/A

**H. Voluntary on-site compliance assessment dates:**

N/A

**I. Participation in a voluntary pollution reduction program:**

N/A

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
OCI BEAUMONT LLC  
RN102559291**

**§        BEFORE THE  
§  
§        TEXAS COMMISSION ON  
§  
§        ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2014-0867-AIR-E**

### **I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding OCI Beaumont LLC ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a methanol and ammonia manufacturing plant located at 5470 North Twin City Highway in Nederland, Jefferson County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about June 4, 2014.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Thirty-Seven Thousand Five Hundred Dollars (\$37,500) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Fifteen Thousand Dollars

(\$15,000) of the administrative penalty and Seven Thousand Five Hundred Dollars (\$7,500) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Fifteen Thousand Dollars (\$15,000) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
  - a. On August 1, 2013, modified the inspection and repair program to ensure final checks and sign-offs are conducted for all repairs needed;
  - b. By October 24, 2013, modified the Preventative Maintenance Program to include inspection and replacement or repair of the pressure swing adsorption valves on a nine-month interval and returned to compliance with permitted emissions rates for the Methanol Plant Flare, Emission Point Number ("EPN") 45; and
  - c. By March 31, 2014, returned to compliance with permitted emissions rates for the Methanol Receiver Tank, EPN MET-TFL50.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to comply with the allowable volatile organic compounds ("VOC") emissions rate for the Methanol Receiver Tank, EPN MET-TFL50, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b),

Federal Operating Permit ("FOP") No. O1645, Special Terms and Conditions ("STC") No. 16, and New Source Review ("NSR") Permit No. 901, Special Conditions ("SC") No. 1, as documented during an investigation conducted on March 12, 2014. Specifically, the Respondent exceeded the annual allowable VOC emissions rate of 0.30 ton per year ("tpy"), based on a 12-month rolling period, for the 12-month periods ending on November 2012 through February 2014, resulting in the unauthorized release of approximately 506.84 pounds ("lbs") of VOC.

2. Failed to comply with the allowable VOC, nitrogen oxides ("NOx"), and carbon monoxide ("CO") emissions rates for the Methanol Plant Flare (Maintenance), EPN 45, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), FOP No. O1645, STC No. 16, and NSR Permit No. 901, SC No. 1, as documented during an investigation conducted on March 12, 2014. Specifically, the Respondent exceeded the annual allowable emissions rate of 0.3 tpy of VOC and 2.5 tpy of CO, based on a 12-month rolling period, for the 12-month periods ending on December 2012 through September 2013, and exceeded the annual allowable emissions rate of 2.83 tpy of NOx, based on a 12-month rolling period, for the 12-month periods ending on April 2013 through June 2013, and August 2013, resulting in the unauthorized release of approximately 234.82 lbs of VOC, 40.66 lbs of NOx, and 5,020.31 lbs of CO.

### **III. DENIALS**

The Respondent generally denies each allegation in Section II ("Allegations").

### **IV. ORDERING PROVISIONS**

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: OCI Beaumont LLC, Docket No. 2014-0867-AIR-E" to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Fifteen Thousand Dollars (\$15,000) of the assessed administrative penalty shall be offset with the condition that the Respondent implement the SEP defined in Attachment A, incorporated herein by reference. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

Pam Moneris  
For the Executive Director

2/6/15  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

[Signature]  
Signature

9/11/14  
Date

F. BAKKER  
Name (Printed or typed)  
Authorized Representative of  
OCI Beaumont LLC

PRESIDENT - CEO  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.





**Attachment A**  
**Docket Number: 2014-0867-AIR-E**  
**SUPPLEMENTAL ENVIRONMENTAL PROJECT**

<b>Respondent:</b>	<b>OCI Beaumont LLC</b>
<b>Penalty Amount:</b>	<b>Thirty Thousand Dollars (\$30,000)</b>
<b>SEP Offset Amount:</b>	<b>Fifteen Thousand Dollars (\$15,000)</b>
<b>Type of SEP:</b>	<b>Contribution to a Third-Party Pre-Approved SEP</b>
<b>Third-Party Administrator:</b>	<b>Southeast Texas Regional Planning Commission</b>
<b>Project Name:</b>	<b><i>West Port Arthur Home Energy Efficiency Program - Lighthouse Program</i></b>
<b>Location of SEP:</b>	<b>Jefferson County</b>

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Offset Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

**1. Project Description**

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Southeast Texas Regional Planning Commission** for the *West Port Arthur Home Energy Efficiency Program - Lighthouse Program* Project. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the SEP Offset Amount will be used to hire a contractor to conduct initial inspections of eligible applicants' homes. The inspections will determine whether the home is in a condition suitable for weatherization and energy efficiency upgrades. Upgrades will not be completed at homes that need new roofs or significant foundation work. The contractor shall also determine what weatherization and energy efficiency upgrades are necessary and appropriate for the home and write a work plan. This contractor shall also conduct the final inspection of the home after the work is completed.

The Third-Party Administrator will conduct eligibility determinations to verify that participants own their homes and qualify as low-income. The Third-Party Administrator will also prepare all contracts with contractors and homeowners; coordinate between the contractors and the homeowners to answer questions; ensure that work is done timely and properly; and arrange for any necessary repairs to new equipment under the 12-

month warranty period after work is completed. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used for the direct cost of implementing the Project, including, but not limited to supplies, materials, and equipment. Any portion of this contribution that is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that the Respondent has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

Implementation of this Project will benefit air by reducing residential fuel and electricity usage for heating and cooling. These reductions, in turn, will reduce emissions of particulate matter, volatile organic compounds, and the nitrogen oxides associated with the combustion of fuel and the generation of electricity. Past energy audits have shown a 12-30% reduction in energy usages after completion of the weatherization and energy upgrades.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

## 2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Southeast Texas Regional Planning Commission SEP** and shall mail the contribution with a copy of the Agreed Order to:

Southeast Texas Regional Planning Commission  
Attention: Pamela Lewis, Program Manager  
2210 Eastex Freeway  
Beaumont, Texas 77703

### **3. Records and Reporting**

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality  
Enforcement Division  
Attention: SEP Coordinator, MC 219  
P.O. Box 13087  
Austin, Texas 78711-3087

### **4. Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality  
Litigation Division  
Attention: SEP Coordinator, MC 175  
P.O. Box 13087  
Austin, Texas 78711-3087

### **5. Publicity**

Any public statements concerning this SEP and/or project, made by or on behalf of the Respondent must include a clear statement that **the project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

## **6. Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

## **7. Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.